

Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report Reference: AGC-002-2010/11.

Date of meeting: 21 June 2010.

Portfolio: Finance and Economic Development.

Subject: Reports from the External Auditor.

Responsible Officer: Bob Palmer (01992 564279).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

To consider and note the reports of the external auditor.

Executive Summary:

This Committee has within its Terms of Reference the considering of reports made by the external auditor.

The first report is the Annual Audit Fee Letter for 2010/11, which sets out the estimated costs of the audit and some key issues for further work.

The second report is a letter from the Audit Commission confirming the end of the Comprehensive Area Assessment (CAA) regime. The exact impact of this on the first report will only become clear when an announcement is made on what, if anything, is to replace CAA.

The third report is an inspection report on the Council's Benefits Service.

Reasons for Proposed Decisions:

To comply with the Committee's Terms of Reference and ensure the proper consideration of these reports.

Other Options for Action:

There are no other options for action.

Report:

1. The Annual Audit Fee Letter for 2010/11 was issued on 27 April 2010 and so predated the general election. When the letter was issued it assumed the CAA and Use of Resources regime would be continuing. On 28 May the Audit Commission issued a letter confirming the immediate end of CAA. It is not yet clear what, if anything, will replace the CAA regime. The Fee Letter will be presented to the Committee by Mr Richard Bint, Partner, and Ms Lisa Clampin, Director of Assurance & Advisory. Mr Ian Davidson, Comprehensive Area Assessment Lead – Essex, will be present and may be able to update the Committee.

2. An inspection of the Council's Benefits Service was conducted by the Audit Commission in late January. The publication of the report was delayed until after the general and local elections. The report scored the Benefits Service as "Poor" and stated that

prospects for improvement were uncertain. The report will be presented by Mr Ian Davidson, Comprehensive Area Assessment Lead – Essex.

3. The Council responded to the report with a press release and this is attached after the report. A detailed action plan was prepared to address all of the recommendations contained in the report and this is also attached.

Resource Implications:

The resource implications from the end of CAA will only become clear when an announcement is made on any successor system. It is anticipated that there will be some saving in both audit fees and staff time.

Legal and Governance Implications:

There are no legal implications or Human Rights Act issues arising from the recommendations in this report.

Safer, Cleaner, Greener Implications:

There are no implications arising from the recommendations in this report for the Council's commitment to the Nottingham Declaration for climate change, the corporate Safer, Cleaner and Greener initiative or any Crime and Disorder issues within the district.

Consultation Undertaken:

None.

Background Papers:

None.

Impact Assessments:

Risk Management

An action plan has been supplied to the Audit Commission to address areas of risk in the Benefits Service.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?
N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A